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## Thailand

### Grain and Feed

## New Rice Intervention Program Revised 2008

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**Report Highlights:**

On October 21, the Cabinet reduced intervention prices for white rice and fragrant rice paddy under the MY 2008/09 main-crop rice program. Also, an old-crop intervention stock release is likely to occur next month, but the details are still under consideration.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

## Cabinet Reduced MY 2008/09 Main-Crop Rice Intervention Prices

On October 21, the Cabinet reduced the upcoming MY 2008/09 main-crop rice intervention prices by 1,000 – 2,000 baht/ton (\$30-\$60/MT) for white rice and fragrant rice paddy ([TH8138](#) and [TH8158](#)). Meanwhile, intervention prices for glutinous rice remain unchanged at 9,000 baht/ton (\$265/MT). The program will begin on November 1, 2008 and finish by the end of February 2009 with a budget of 100 billion baht (\$2.9 billion) and the target of 8 million tons of paddy. The Government will focus on small to medium scale farmers with a credit line of 500,000 baht (\$14,710) each. However, the details of the program are being finalized by the end of October to ensure farmers will be able to sell paddy at prices not lower than the intervention prices.

**Table: Comparison of Intervention Prices and Carry-over Stocks**

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	
						Old	Revised
<b>Intervention Price (baht/ton)</b>							
Main Crop: Fragrant paddy	6,700 - 7,000	9,700 - 10,000	9,700 - 10,000	8,700 - 9,000	9,000 - 9,300	15,700-16,000	14,700-15,000
White rice paddy	4,760 - 5,330	6,200 - 6,600	6,700 - 7,100	5,900 - 6,500	6,100 - 6,700	12,800 - 14,000	10,800 - 12,000
Second Crop: White rice paddy	5,500 - 5,900	6,300 - 6,700	6,700 - 7,100	6,000 - 6,600	12,800 - 14,000	-	-
<b>Paddy Pledges (ton)</b>							
Main crop	2,838,141	5,295,237	5,291,831	1,809,316	239,481	-	-
Second crop	118,392	797,778	2,173,727	1,635,945	4,100,000	-	-
<b>Carry-over stocks</b>	<b>1,716,364</b>	<b>5,883,233</b>	<b>6,754,888</b>	<b>3,181,818</b>	<b>7,281,818.18</b>	-	-
(milled equivalent)	944,000	3,235,778	3,715,172	2,100,000	4,806,000	-	-

## Stock Release Likely in November

The Government is expected to release old-crop intervention stocks of around 2.1 million tons for export next month in order to liquidate the old-crop stocks for the MY2008/09 main-crop intervention program budget. The stock will likely be released through a tender to the top five exporters. The Government will shorten the delivery period to within 90 days, as compared to 270 days in the past, in order to hasten the release process. In addition, the Government will be seeking government-to-government sales. Exporters have reportedly proposed a gradual release of intervention stocks of approximately 500,000 – 600,000 tons. However, the details of the stock release are still under consideration by the Intervention Stock Release Sub-Committee chaired by the Minister of Commerce, and the Intervention Stock Sales to the Agricultural Future Exchanges of Thailand Sub-Committee chaired by the Commerce Permanent Secretary.

Thailand's intervention stocks have increased to 4.8 million tons, of which 2.1 million tons are old-crop intervention stock, and 2.7 million tons are current MY 2007/08 second-crop intervention stocks. Of total intervention stocks, approximately 3.8 million tons are white rice, and 1.0 million tons are fragrant rice. All MY2007/08 second-crop intervention stocks are white rice. It is expected that bidding prices for old-crop intervention stocks will be at around \$400-\$450/MT, FOB for white rice, and \$550-\$600/MT for fragrant rice. Meanwhile current second-crop intervention stocks will cost at least \$700/MT, which is at least \$200/MT higher than Vietnamese rice.

End of Report